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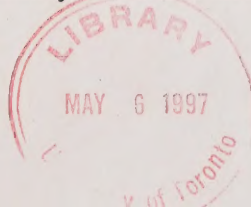
GOVERNMENT TO PROCEED WITH INCOME TAX LEGISLATION

The Honourable Doug Peters, Secretary of State for Finance, today tabled a revised detailed Notice of Ways & Means Motion containing legislation implementing the income tax measures announced in the February 1996 budget. The Honourable Paul Martin, Minister of Finance, took this opportunity to reaffirm that the government intends to proceed with this legislation as well as the implementation of all the other income tax measures announced during the course of 1996. These include the following:

- the income tax measures announced in the February, 1996 budget, as revised by the February, 1997 budget proposals relating to the Working Income Supplement;
- Bill C-69, which contains a revised package of technical amendments originally released on April 26, 1995;
- press release of October 2, 1996 (96-066) concerning taxpayer migration;
- press release of October 7, 1996 (96-069) concerning insurers' policies reserves;
- press release of November 18, 1996 (96-082) concerning matchable expenditures;
- press release of December 19, 1996 (96-100) concerning segregated fund policies and other annuity contracts; and
- regulations consequential to the above.

Mr. Martin explained that the amendments relating to the Working Income Supplement implementing the February 1996 budget proposals will be moved into the 1997 budget legislation in order to reflect the modifications announced in that budget. It is intended that the 1997 budget legislation be tabled at the earliest opportunity.

Minister Martin also noted that his colleague, National Revenue Minister, Jane Stewart, has confirmed that, as in the past, Revenue Canada will recommend that taxpayers complete their 1996 tax returns in accordance with the proposed amendments, a number of which will be identified in the 1996 T-1 Guide. Mrs. Stewart has indicated that this practice will avoid public confusion, improve administrative efficiency and may reduce the need for subsequent adjustments

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for returns. She noted, however, that if Parliament were to amend these proposals, or if the legislation was not, in fact, enacted, adjustments to the 1996 tax returns would, be required.

In view of the foregoing, copies of the Notice of the Ways & Means Motion are available from the Department of Finance, Distribution Centre (613-943-8665) at no cost.

For further information:

Alexandra MacLean
Tax Legislation Division
Telephone: (613) 992-5636

Also available on Internet
at: <http://www.fin.gc.ca/>